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Gorbachev's Economic Reform Commission: A Preliminary Assessment

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This paper was prepared by [] Office of
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**Gorbachev's Economic Reform
Commission: A Preliminary
Assessment**

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Key Judgments

*Information available
as of 15 February 1987
was used in this report.*

The Commission for Improving Management, Planning, and the Economic Mechanism, established by the USSR Council of Ministers in January 1986, has the responsibility for translating Soviet leader Mikhail Gorbachev's calls for "radical reform" into a concrete program of legislation and overseeing its implementation. The blue-ribbon commission drafts its legislation through working groups that mix conservative and moderate ministry and state committee officials with prominent, reform-minded economists and lawyers.

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Soviet press articles and US Embassy reporting indicate that the commission was responsible for drafting several reform decisions already announced by the Council of Ministers and the Central Committee—including those affecting light industry, retail trade, construction, and foreign trade. Remarks by the commission's deputy chairman suggest that it has also been responsible for additional legislation, including decisions intended to expand the scope for business activity by individuals and small groups. Sources of the US Embassy report that the commission has also begun debating more fundamental and controversial issues such as reform of the pricing, supply, and finance mechanisms.

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Some of the reform decisions by the commission reflect a willingness among members of the Soviet elite to seek more creative economic solutions than those the Brezhnev leadership was prepared to consider. They also suggest fissures in the Brezhnev-era wall of political resistance to change.

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The commission, however, also faces many of the same obstacles that hampered the "Kosygin" reform commission, which oversaw the last major attempt to reform the economy in 1965. The decisions prepared by the current commission have been cautious, suggesting that once again conservative ministry and state committee officials have had a heavy hand in the drafting process:

- Additional rights granted to enterprises and individuals have been carefully circumscribed. The new measures affect only a limited number of organizations and individuals.

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- Decrees have dealt with particular sectors rather than comprehensive solutions. Remedies—such as derationing supply and flexible pricing—that go more to the heart of Soviet economic problems and will be necessary to ensure the effectiveness of other reform measures have not yet been addressed.

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Nevertheless, the commission has several advantages over its predecessor that ultimately may give it the stature and vision it will need to push the reform process forward:

- The new body has closer ties to the senior leadership. Candidate Politburo member Nikolay Talyzin, a Gorbachev appointee, and several deputy chairmen of the USSR Council of Ministers are members of its executive council.
- Gorbachev and his allies have been more willing and able to push the commission's work forward aggressively against recalcitrant party and state bureaucrats than was former General Secretary Brezhnev, who politically sabotaged the 1965 reforms.
- Gorbachev has been able to promote a host of new economic officials who now play key roles in the commission's work. Some of them appear more willing than their predecessors to support creative initiatives.

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Perhaps because of these advantages, the commission seems to be faring better than its predecessor against efforts by conservative party and state bureaucrats to delay the drafting and implementation of reforms. Any move by the commission to grapple seriously with more controversial proposals—such as flexible pricing and the derationing of supply—will be likely to fuel bureaucratic resistance, however, testing Gorbachev's reform commitment and the cohesion of his leadership alliance.

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If the commission is to gain momentum in addressing fundamental problems, Gorbachev and his allies will have to:

- Identify themselves personally with controversial proposals and move to exercise tighter personal control over the commission's preparation of individual reforms.
- Use the Central Committee plenum in June 1987—scheduled to focus on economic reform—to build support among the Soviet elite for comprehensive solutions to chronic economic problems.
- Further broaden the boundaries of acceptable economic debate by increasing the frequency and intensity of their public attacks against officials who, in Gorbachev's words, “cling to dogmas identified as eternal truths of socialism.”

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Gorbachev's Economic Reform Commission: A Preliminary Assessment

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Gorbachev's Commission

Mikhail Gorbachev has proclaimed "radical reform" of the economy to be one plank of his comprehensive program for dragging the USSR into the ranks of the world's technological leaders by the end of the century. Openly admitting that the senior leadership does not have all the answers to the country's economic woes, Gorbachev has promoted a wide-ranging reform debate in the press and reportedly has sought the advice of prominent reform-minded economists. But to translate his reform rhetoric into a concrete program, he is relying on the Commission for Improving Management, Planning, and the Economic Mechanism, established by the USSR Council of Ministers in January 1986. The commission—now conducting its own behind-the-scenes reform debate—is responsible for preparing specific reform legislation and monitoring its implementation.



Nikolay Talyzin

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Organization and Process

The new commission is a complex organization whose members include the Soviet Union's senior economic leaders (see inset describing the commission's organizational structure). The process of drafting reform legislation involves both conservative and moderate ministry and state committee officials as well as prominent, reform-minded economists and lawyers.

responsibility for directing the executive council's work.

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the council has its own staff, probably headed by Petr Katsura, who also holds a position in the office of Premier Nikolay Ryzhkov. The size of the staff is not known, but Katsura's reputation as a highly competent and innovative manager suggests that it is playing an active role in supporting the council's work.

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Soviet press reports indicate that Nikolay Talyzin, candidate member of the Politburo, First Deputy Chairman of the Council of Ministers, and the head of the State Planning Committee (Gosplan), chairs the commission. the commission's work is directed by an executive council headed by Talyzin. He is joined by several deputy chairmen of the USSR Council of Ministers and key economic officials such as the chairman of the State Committee on Prices and the Minister of Finance. Stefan Sitaryan, first deputy chairman of Gosplan and deputy head of the commission, appears to have most of the day-to-day

The executive council is responsible for approving draft reform legislation before forwarding it to the Presidium of the Council of Ministers.

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draft decisions that are scheduled to be issued jointly by the Council of Ministers and Central Committee must also be approved by the Central Committee's Economics Department.¹

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¹ It is not yet clear whether the Central Committee's Economics Department plays a reformist or conservative role in the commission's work, but the department's recent low profile and the Central Committee's failure to name a new department chief in more than a year suggest that the extent of its involvement may be limited. The limited role could reflect the senior leadership's decision to leave the drafting of decrees to the people with the greatest expertise. Nikolay Ryzhkov may have taken much of the department's responsibility for economic reform with him to the Council of Ministers when, in September 1985, he gave up his position as department chief to become Premier.

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**Organizational Structure of the Commission
for Improving Management, Planning,
and the Economic Mechanism**

Executive Council. Responsible for approving draft legislation and establishing working groups . . . membership includes chairman and first deputy chairman of State Planning Committee, several USSR Deputy Premiers, Minister of Finance, chairman of State Committee on Material and Technical Supply, chairman of State Committee on Prices, chairman of State Committee for Labor and Social Problems, a vice president of the Academy of Sciences, several ministers heading economic experiments, and several deputy chairmen of the RSFSR Council of Ministers.

Composite Working Group. Appears to be staff of executive council . . . reportedly reviews draft legislation and forwards it to council . . . probably headed by Petr Katsura, former director for economics and planning, Volga Automobile Plant in Tol'yatti, now a member of Premier Ryzhkov's office.

Subcommissions. Established for each republic, for national economic complexes (agro-industrial, machine building, and so forth), and for development of

labor resources . . . appear to coordinate working groups in their areas . . . one subcommission, headed by commission deputy chairman Sitaryan, appears to be overseeing preparation of reforms of price, finance, and supply mechanisms.

Working Groups. Responsible for drafting reform legislation and monitoring its implementation . . . members include ministry and state committee officials and members of commission's scientific section.

Scientific Section. Members play a consultative role in drafting reforms . . . includes prominent economists, lawyers, and planners . . . headed by Abel Aganbegyan . . . contains a Scientific-Methodological Council and a Council for Utilizing Foreign Management Experience . . . has 26 to 28 separate subunits working independently on various reform issues . . . appears to have subordinate scientific sections within each republic.

draft decisions then go to the Politburo or Central Committee Secretariat for final approval.

The actual drafting of legislation is done by 20 or so working groups that are established by the commission's executive council.

officials from ministries and state committees whose interests will be directly affected by particular decisions play the key role in the drafting process.

"conservatives seeking to retard the pace of reform." Presumably, they want to avoid the loss of status that would result from a reduction in their administrative powers. They may also believe that their administrative intervention is necessary for the normal functioning of the Soviet economy.

Despite the conservative inclinations of many of the ministry and state committee officials, there is evidence that some of them have supported the commission's more creative decisions.

According to Embassy reporting the commission's scientific section—its repository of economic, planning, and legal expertise—also has some input in the drafting of reform decisions. Headed by Aganbegyan, the section includes such well-known, reform-minded economists as Abalkin, Bogomolov, Aleksandr Anchishkin (director of the Institute of Economics and Forecasting of Scientific and Technological Progress), Vadim Kirichenko (director of Gosplan's Economic Research Institute), and Nikolay Petrakov (deputy director of the Central Economics

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Abel Aganbegyan [redacted]

and Mathematics Institute). [redacted]
[redacted] members of the scientific section are Gorbachev's strongest supporters in his campaign for reform, but [redacted] the section's limited influence, stressing that it performs only a "consulting role, fleshing out proposals and generating papers" for the working groups.² [redacted]

Evidently, once draft legislation is approved by the government and the party, the working groups prepare instructions for ministries explaining how to implement the broadly worded decisions. Embassy reporting indicates that, after approving the instructions, the executive council monitors the ministries' preparation for operating under the new measures. It then begins the long-term process of monitoring the ministries' implementation of the reforms. According to Soviet press articles, as implementation proceeds, the council provides ministries with additional directives when necessary. [redacted] the executive council is supported in its monitoring by the commission's scientific section. Presumably, the council's staff is also heavily involved in the process. [redacted]

Early Achievements

Since the commission's formation in January 1986, the Central Committee and Council of Ministers have announced more than 25 economic reform decisions.

² In addition to playing a role in the drafting of reforms, the scientific section held a conference in November 1986 to formulate a long-term, comprehensive strategy for economic reform. [redacted]
[redacted] a conference report will be delivered to the commission's executive council. [redacted]

Soviet press articles and US Embassy reporting indicate that the commission was responsible for drafting several of these:

- Management and workers of light industry now have their bonuses largely determined by how well their enterprises fulfill output-delivery contracts with trading organizations, which presumably are sensitive to consumer demands.
- Financial rewards of retailers are now supposedly to be based in large part on their meeting consumer demands for a wide assortment of goods. A network of stores selling high-fashion goods is to be developed in major cities throughout the country.
- A reorganization of the foreign trade sector has given 21 ministries and nearly 70 large enterprises the authority to conduct trade directly with foreign partners since the beginning of 1987. A new coordinating commission is providing strategic guidance to the foreign trade sector.
- A reorganization of the beleaguered construction sector has given regional authorities greater power to coordinate local construction projects. A new State Construction Committee (August 1986) has been given responsibility for managing sectorwide tasks such as developing a unified technological policy and introducing new methods of management and production.
- It is intended to increase the number of cooperatives operating restaurants, producing consumer goods, and offering services such as apartment and furniture repair, tutoring, and care of the sick and the elderly. The new cooperatives will be partnerships organized by small groups of individuals who run the operation collectively and share the profits.³

³ The commission may have also played a role in drafting legislation designed to improve the quality of output (May, July 1986) and reform the wage structure (September 1986). Decisions on improving the agro-industrial complex (March 1986) and the supply system (March 1986) were probably too far along in the drafting process to have been influenced by the commission. [redacted]

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[redacted]
the commission has also been responsible for drafting the recent decision designed to expand the scope for private business by individuals.⁴ In November 1986 the government approved a law on "individual labor activity" to provide self-employment opportunities for citizens in 29 types of activity—primarily consumer services—including car repair, shoemaking, and taxi services during their off-hours. [redacted]

Issues on the Front Burner

Sources of the US Embassy report that the commission is now debating additional reform initiatives and moving ahead in drafting several new decisions. [redacted]

Expanding Enterprise Rights

Press reports indicate that the commission oversaw the preparations to extend to all industrial ministries in January 1987 the so-called Large-Scale Experiment begun in 1984.⁵ The commission is now monitoring the widespread implementation of the experiment, which was designed to enhance enterprise managers' incentive and ability to increase efficiency by making fulfillment of delivery contracts the major measure of enterprise success and by giving managers greater control over investment funds and material rewards for their work force. Widespread criticism of the experiment's failure to improve efficiency has spawned the development of a more advanced version of the experiment—based on the experience of the Volga Automobile Plant in Tol'yatti and the Frunze Machine-Building Association in Sumy—which the commission introduced in several ministries and selected enterprises, also in January 1987. [redacted]

The new version of the experiment, strongly supported in recent public comments by Mikhail Gorbachev and Premier Nikolay Ryzhkov, is intended to move affected enterprises to "full self-financing." It supposedly

⁴ The term *private business* is used to denote economic operations organized and managed outside the traditional state sector of the Soviet economy (although subject to state regulation), including individual and family-run operations. [redacted]

requires managers to pay operating and most investment expenses out of enterprise revenues but grants them greater authority over use of internal funds and provides them with requisite investment goods and construction services. [redacted]

Law on Enterprise Rights

[redacted] one of the commission's working groups in late 1986 finished drafting a new "law on socialist enterprises." The draft law—published in the Soviet press in February 1987—is intended to expand the rights of enterprises vis-a-vis their ministries and enhance the powers of workers in deciding production and social development questions within the framework of the firm's plans. It also is supposed to provide enterprises with legal mechanisms for redress when the ministries overstep their bounds. There is no indication, however, that managers or workers will be given much say in the critical questions of what and how much to produce. In heralding the draft law at the January 1987 Central Committee plenum, Mikhail Gorbachev emphasized that it will give workers a large say in the election of their managers. At the plenum, the Central Committee approved the draft and decided to submit it for nationwide discussion, presumably before the government's top body, the Supreme Soviet, enacts the draft into law. The language of the draft is sufficiently broad to make its impact dependent on how the provisions of the law are ultimately implemented. [redacted]

Statute on Ministries

According to Gorbachev, draft regulations probably defining the structure, rights, and responsibilities of ministries—intended to complement the law on enterprises—are scheduled to be completed by June 1987. Soviet press accounts indicate that the commission has already drafted decisions providing for organizational changes in non-machine-building ministries, but no decree has been announced. According to the press reports, the administrative structures of the ministries are to be pared down while enterprises are

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combined to form large production and scientific-production associations designed to gain economies of scale and improve the linkage between R&D and production. []

Price Reform

We know few details about the commission's handling of pricing, but the reform body appears to be responding to Mikhail Gorbachev's call at the 27th Party Congress for more flexible prices. []

[] one of the issues being discussed by the working group on prices is the possibility of expanding the use of "contract prices"—allowing manufacturers of producer goods to negotiate contracts directly with customers for the sale of above-plan output under a price ceiling set to prevent inflation or excessive profits. We do not know whether the commission is seriously considering other measures critical to the success of such a change in the price formation mechanism, such as stabilizing planned production targets of enterprises at lower levels relative to capacity and granting buyers the right to choose among suppliers. []

The working group may be discussing more far-reaching pricing measures for the light industry sector. [] in October 1986 Aleksandr Anchishkin, a member of the commission's scientific section, claimed that in nonfood light industry the Soviet Union is moving toward a system in which all retail prices for consumer goods will be "uncontrolled," freely negotiated between suppliers and their customers. []

The group on prices, [] is also discussing possible changes in the levels of certain prices, retail as well as wholesale. Academic spokesmen connected with the reform commission have publicly advocated an end to the state's subsidy of food prices, suggesting that reductions in such subsidies are under consideration. []

It is too early to predict whether these proposals or others will be included in the price reform ultimately prepared by the commission. Senior academic officials, however, have been asserting that the reform will signify a sharp move toward greater price flexibility. According to a legislative agenda for the next five years issued by the Soviet Government in September

1986, the commission was supposed to have its proposals for price reform ready for government review by the end of 1986, but it may be some time— 1988 or later according to academic and government officials—before a full-fledged decree is announced and the reform is ready to be implemented. []

Seeking a Flexible Supply System

The inefficiency of the current centrally allocated supply system encourages enterprise managers to hoard supplies and dissuades them from innovating because new products often require different inputs that may be difficult to acquire from various centrally assigned suppliers. In March 1986 the Politburo decided that, beginning in January 1987, enterprises in several ministries would obtain all their supplies from one of the territorial supply administrations of the State Committee for Material and Technical Supply (Gossnab), rather than having to seek their inputs from various organizations in Moscow. The commission's working group on supply reform was apparently responsible for overseeing the preparations of the ministries for shifting to this new system and is now monitoring their performance. []

[] the working group is also considering a more innovative way of organizing wholesale supplies that would allow wider scope for producers to deal directly with their customers in disposing of above-plan production. According to Gorbachev, a decision on Gossnab will be ready by June 1987, but []

[] the reform might take longer to prepare. [] predicted that reform of the supply system would occur first in light industry and then possibly be expanded to other sectors by 1988. []

Financial Reform

One working group is seeking ways to improve a Soviet financial system in which, paradoxically, well-managed firms seeking to obtain credit are subject to cumbersome regulation in how they use it, while poorly managed operations are often allowed to forgo payments on loans they receive from the State Bank. The group is discussing the creation of new banking

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institutions intended to make it easier for certain firms, now being given greater responsibility for financing their own investment, to obtain credit. There is also talk of establishing shareholder companies that presumably would offer firms or individuals a material stake in production enterprises. []

[] there are sharp differences among members of the working group on financial reform, and [] its discussion was not as far along as that of the price group. The legislative agenda announced in September 1986 did not include a comprehensive reform of the financial system, but [] such a reform can be expected at approximately the same time as pricing and supply reforms. []

Other Issues

[] the commission is overseeing a number of economic experiments in specific regions and ministries and gauging their wider applicability. The commission is probably also discussing the reorganization of the State Planning Committee. In recent months Politburo members have repeatedly stressed the need for changes in that organization, and Gorbachev has said that a decision on Gosplan will be ready by June 1987. The commission may also be addressing other issues included in the recently published legislative agenda, such as the reorganization of the State Committee on Science and Technology (GKNT) and the transportation sector and the preparation of regulations governing state committees. []

A Preliminary Assessment

The commission is obviously facing many of the same obstacles that evidently hampered its predecessor commission, which oversaw the 1965 reforms pushed by former Premier Aleksey Kosygin.⁶ The new commission, however, has certain political and organizational advantages over its ill-fated forerunner. So far, the new commission's effectiveness seems to have resulted largely from the strong commitment to change demonstrated by Gorbachev and like-minded allies. []

⁶ See appendix A for a discussion of previous reform organizations. []

The seniority of the commission's chairman, candidate Politburo member Nikolay Talyzin, and the presence of several deputy chairmen of the Council of Ministers on the executive council demonstrate that the new body has closer ties to the senior leadership than the commission that oversaw the 1965 reforms. The old commission was attached to Gosplan and headed by Aleksandr Bachurin, a deputy chairman of Gosplan, and apparently none of its members sat on the Presidium of the Council of Ministers. In July 1970 the Council of Ministers apparently became convinced that Bachurin's commission was overstepping its authority in directing the implementation of reforms and issued a decree redefining the commission's powers. []

Mixed Results

It is still premature to judge whether the commission's connections to the senior leadership give reformers the political clout needed to push the reform process forward. The decisions prepared this year by the commission have been cautious steps toward change, suggesting that—as with the 1965 commission—conservative ministry and state committee officials have had a heavy hand in the drafting of legislation:

- Additional rights granted to enterprises and individuals have been carefully circumscribed. The new measures, moreover, affect only a limited number of organizations and individuals.
- Decisions have dealt with particular sectors rather than comprehensive solutions. Remedies—such as derationing supply and flexible pricing—that go more to the heart of Soviet economic problems and will be needed to ensure the effectiveness of other reform measures have not yet been addressed. For example, recent decisions giving enterprises greater authority to purchase investment goods are likely to be ineffective as long as the taut planning and supply systems make it difficult for enterprises to actually obtain such goods. []

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Despite their limitations, some decisions drafted by the commission reflect a new willingness among members of the Soviet elite to seek economic solutions that lie outside the Brezhnev leadership's policy framework:

- Giving certain ministries and enterprises the right to conduct trade activities directly with their foreign partners effectively ends the Ministry of Foreign Trade's 70-year monopoly over foreign trade. For the first time in decades, Soviet enterprises are allowed to form and operate joint equity ventures with foreign partners. The startup of these ventures will mark the first time since the New Economic Policy of the 1920s that certain enterprises will not have their production plans set by central planning authorities.
- In an effort to address the state's traditionally poor performance in the consumer sector, the leadership, for the first time in decades, is taking concrete steps to legitimize and broaden the business opportunities for individuals and small groups.
- A network of 250 high-fashion stores is to be developed, and light industry enterprises have been given wide latitude in negotiating the prices of "especially fashionable goods." [redacted]

Probably more important, the commission's decisions also suggest fissures in the Brezhnev-era wall of political resistance to change:

- The Ministry of Foreign Trade had successfully withstood efforts by the Brezhnev leadership during the 1970s to enhance the role of production ministries in foreign trade decision making.
- As early as the 25th Party Congress in 1976, Brezhnev alluded to the need for reorganizing the administrative structures of ministries, but he failed to accomplish anything on that score before his death in 1982.
- During the Brezhnev era, opposition to private business activity was apparently so strong that the leadership never seriously considered proposals to promote it. [redacted]

Sustaining Momentum ⁷

Judging by the press reports of its activities, the new commission appears to be faring better than its predecessor against bureaucratic footdragging directed against its instructions. During the 1960s and 1970s, Soviet press articles and Western analysts indicated that the commission overseeing the 1965 reforms was repeatedly forced to postpone the preparation and implementation of measures by such ministerial footdragging. [redacted]

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So far the new commission appears to have done well in keeping to its timetable. For example, in January 1987 it was on schedule in preparing all industrial ministries to shift to the conditions of the so-called Large-Scale Experiment, and it actually transferred several more ministries to "full self-financing" than it had originally planned. [redacted]

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[redacted] the preparation of the law on "individual labor activity" took longer than expected, but the law was still completed before the completion date given by the government's legislative agenda. The December 1986 deadline for approving the law on socialist enterprises has been pushed back to the spring of 1987, but this delay may stem from the leadership's decision to open the draft up to public discussion.

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The new commission also appears to have taken a first step toward preventing ministries from merely pretending to implement its decisions while continuing to work according to their own rules. According to an August 1986 Soviet press report, the commission's executive council has decided to formulate a procedure for amending any ministry regulations that contradict commission decisions and limit the independence of enterprises. [redacted]

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New Blood

The success of the new commission relative to its predecessor may in part be explained by Gorbachev's ability to promote a host of new economic officials who now play key roles in the commission's work.

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[redacted] some of them clearly appear more willing than

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⁷ See appendix B for a timetable of the commission's major legislation. [redacted]

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their predecessors to support creative initiatives. [redacted]

a particularly sharp speech by Mikhail Gorbachev calling on government ministries to loosen their regulatory grip on enterprises gave reform-minded commission members sufficient leverage to push work forward in drafting the law on socialist enterprises.

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- The leadership almost surely hopes that the detailed five-year legislative agenda issued in September 1986—which sets deadlines for preparing reform measures and identifies the ministries with drafting responsibilities—will keep the feet of recalcitrant officials to the fire.
- The commission's activities have received more extensive and favorable publicity than those of its predecessor, notably from the Soviet media and from commission members in their conversations with foreigners.

Gorbachev's apparent success in promoting Abel Aganbegyan to head the commission's scientific section—he replaced Dzhermen Gvishiani, former Gosplan deputy chairman, during the summer of 1986—may have also played a role in the commission's success. Aganbegyan [redacted] a close adviser to Gorbachev, and in January 1987 he told a Western newspaper that he had recently met with Premier Ryzhkov for three hours to discuss economic reform. Aganbegyan's reputed influence may at times give him an edge in convincing stubborn ministry and state committee officials to incorporate proposals of the scientific section more fully into draft reforms. [redacted]

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Leadership Commitment

The senior leadership's commitment to reform has probably been decisive in determining the commission's progress during 1986. Brezhnev's opposition to the Kosygin reforms of 1965 made real progress impossible. Evidence so far suggests that Gorbachev and his allies intend to push the commission's work forward more aggressively by pressuring recalcitrant officials:

- Since the June 1986 Central Committee plenum, Gorbachev has been threatening party and state officials who oppose the kind of changes being discussed by the commission and backing up those threats with firings—such as the sacking of Nikolay Glushkov, chairman of the State Committee on Prices. [redacted]

Prospects

[redacted] even the cautious reform decisions drafted by the commission in 1986 produced widespread resistance to Gorbachev's program among the party and ministry officials responsible for implementing them. Any move by the commission to grapple seriously with more controversial proposals—such as flexible pricing and the derationing of supply—will be likely to fuel that resistance, testing Gorbachev's reform commitment and the cohesion of his leadership alliance. [redacted]

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Up to now, Gorbachev and his allies have often criticized the current planning, supply, and price systems but have been ambiguous in outlining the changes they seek. They may not have decided how far they are willing to go, or they may be seeking to

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protect themselves against charges of extremism and “harebrained scheming” of the kind that led to Khrushchev’s demise. If the commission is to gain momentum in addressing fundamental problems, however, Gorbachev and his allies will have to:

- Identify themselves personally with controversial proposals and, like Premier Ryzhkov, move to exercise tighter personal control over the commission’s preparation of individual reforms.
- Use the Central Committee plenum in June 1987—scheduled to focus on economic reform—to build support among the Soviet elite for comprehensive solutions to chronic economic problems.
- Further broaden the boundaries of acceptable economic debate by increasing the frequency and intensity of their public attacks against officials who, in Gorbachev’s words, “cling to dogmas identified as eternal truths of socialism.”

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Appendix A

Previous Reform Commissions

Interdepartmental commission under Gosplan. Established in 1965 to oversee industrial reforms advocated by Premier Kosygin . . . continued to work on reform issues into 1980s . . . according to Soviet press, its powers and functions have been absorbed by Gorbachev's new commission.

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Interministerial council studying socialist economies. Reportedly established in late 1981 . . . headed by former Gosplan Chairman Nikolay Baybakov . . . powers and functions appear to have been taken up by new commission.

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Politburo Commission on Perfection of Management and Improving the Efficiency of the Economy. Reportedly established some time before 1984 and headed by former Premier Nikolay Tikhonov . . . may have had a scientific section headed by former deputy chairman of Gosplan Dzhermen Gvishiani . . . Oleg Bogomolov, director of the Economics of the World Socialist System Institute, has said this commission was the progenitor of the new commission.

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Commission for Leadership of the Economic Experiment. Established to oversee so-called Large-Scale Experiment begun in 1984 and designed to give enterprises increased independence and responsibility . . . powers and functions have been absorbed by the new commission . . . had been headed by Lev Voronin, former first deputy chairman of Gosplan and now chairman of the State Committee for Material and Technical Supply.

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Appendix B**Timetable of the Commission's
Major Legislation**

Legislation Already Announced	Implementation
Light industry (May 1986)	January 1987
Retail trade (August 1986)	January 1987
Construction (August 1986)	1986-87
Foreign trade (September 1986)	January 1987
Cooperatives (October 1986, February 1987)	1987
Law on individual labor activity (November 1986)	May 1987
Legislation Pending	Date Expected
Law on socialist enterprises	Spring 1987
Statute on ministries	June 1987
Pricing	1988
Supply	1987-88
Finance	1988
Gosplan ^a	June 1987
Decree on moonlighting ^b	End of 1986
Transportation ^b	Proposals, September 1986
State Committee for Science and Technology ^b	June 1987
Statute on intersectoral and industrial-trading associations in light industry ^b	End of 1986
Additional measures on agriculture ^b	Proposals, end of 1986
Additional measures on construc- tion ^b	1986-89
Use of secondary resources ^b	Proposals, April 1987
Central Statistical Administration ^b	Proposals, April 1987
Law on product quality ^b	April 1987
Workers' self-management ^b	June 1987
Statute on state committees ^b	End of 1987
Everyday repairs and other services ^b	End of 1987

^a Not yet directly linked to the commission.^b Included in government's five-year legislative agenda, but not yet directly linked to the commission.

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